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**中國太平洋保險(集團)股份有限公司**

**CHINA PACIFIC INSURANCE (GROUP) CO., LTD.**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 02601)**

## **OVERSEAS REGULATORY ANNOUNCEMENT**

This overseas regulatory announcement is made pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The announcement is attached hereof for information purpose only.

By Order of the Board  
**China Pacific Insurance (Group) Co., Ltd.**  
**KONG Qingwei**  
*Chairman*

Hong Kong, 25 April 2020

*As at the date of this announcement, the Executive Director of the Company is Mr. KONG Qingwei; the Non-executive Directors of the Company are Mr. WANG Tayu, Mr. KONG Xiangqing, Ms. SUN Xiaoning, Mr. LI Qiqiang, Mr. WU Junhao, Mr. CHEN Xuanmin and Mr. HUANG Dinan; and the Independent Non-executive Directors of the Company are Mr. LEE Ka Sze, Carmelo, Mr. CHEN Jizhong, Ms. LAM Tyng Yih, Elizabeth, Mr. JIANG Xuping and Mr. GAO Shanwen.*

# Summary of Quarterly Solvency Report

**Anxin Agricultural Insurance Company Limited**

**1st Quarter of 2020**

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## I. Basic information

### (I) Registered address

Agricultural Insurance Building, 3651 Gonghexin Road, Shanghai, the PRC.

### (II) Legal representative

SONG Jianguo

### (III) Business scope and territories

#### 1. Business scope

Agricultural insurance; property indemnity insurance; liability insurance including mandatory liability insurance; credit and guarantee insurance; short term health and accident insurance; other types of property insurance relating rural areas and farmers; reinsurance of the above said insurance; insurance agency business (subject to approval by regulators if required by relevant laws and regulations);

#### 2. Business territories

Shanghai, Jiangsu Province, Zhejiang Province.

### (IV) Ownership structure and shareholders

#### 1. Ownership structure (10k shares or 10k RMB)

Equity category	Shares or amounts contributed	Percentage (%)
Domestic shares held by legal entities	70,000	100
Domestic shares held by natural persons	-	-
Foreign shares	-	-
Others	-	-
Total	70,000	100

#### 2. Top 10 shareholders (10k shares or 10k RMB)

Names of shareholders	Shares held or amounts contributed at the end of the reporting period	Percentage of shareholding (%)
China Pacific Property Insurance Co., Ltd.	36,490.08	52.13%
Shanghai Agricultural Development Co., Ltd.	7,718.03	11.03%
Shanghai Minhong Asset Investment Co., Ltd.	5,365.19	7.67%
Shanghai Nongfa Asset Management Center	4,201.72	6.00%
Shanghai Baoshan Fiscal Investment Company	3,150.84	4.50%
Shanghai Jiading Guangwo Asset Management Co., Ltd.	2,504.59	3.58%
Shanghai Fengxian District State Asset Operation Co., Ltd.	2,368.95	3.38%
Shanghai Songjiang State Asset Investment Management Co., Ltd.	2,025.88	2.89%
Shanghai Huinong Investment Management Co., Ltd.	1,817.99	2.60%
Shanghai Qingpu Asset Management Co., Ltd.	1,719.37	2.46%

## (V) Controlling shareholder or de facto controller

The Company has no de facto controller. China Pacific Property Insurance Co., Ltd. is the majority shareholder, holding 52.13% of the shares of the Company.

## (VI) Subsidiaries, joint or associate ventures

None during the reporting period

## (VII) Contact person information

1. Contact person: HU Xiaolu
2. Tel. number: 021-66988251
3. Email: [huxl@aaic.com.cn](mailto:huxl@aaic.com.cn)

## II. Main indicators

Items	As at the end of this quarter/during this quarter	As at the end of last quarter/during last quarter
Core solvency margin ratio	288%	303%
Core solvency margin surplus (10K RMB)	111,560	112,765
Comprehensive solvency margin ratio	288%	303%
Comprehensive solvency margin surplus (10K RMB)	111,560	112,765
Latest IRR result	-	-
Premium income (10K RMB)	16,949	40,500
Net profit (10K RMB)	2,422	6,667
Net assets (10K RMB)	152,451	150,521

## III. Actual capital

Items	As at the end of this quarter/during this quarter	As at the end of last quarter/during last quarter
Admitted assets (10K RMB)	375,810	362,139
Admitted liabilities (10K RMB)	205,014	193,702
Actual capital (10K)	170,797	168,438
Tier 1 core capital (10K RMB)	170,797	168,438
Tier 2 core capital (10K RMB)	0	0
Tier 1 supplement capital (10K RMB)	0	0
Tier 2 supplement capital (10K RMB)	0	0

## IV. Required capital

Items	As at the end of this quarter/during this quarter	As at the end of last quarter/during last quarter
Required capital (10K RMB)	59,236	55,673
Required capital for quantitative risks (10K RMB)	58,272	54,767
1) Required capital for insurance risk (10K RMB)	44,760	44,036
2) Required capital for market risk (10K RMB)	6,423	3,210
3) Required capital for credit risk (10K RMB)	24,791	22,603

4) Diversification effect for quantitative risks (10K RMB)	17,703	15,083
5) Loss absorption for special-type insurance contract loss (10K RMB)	-	-
Required capital for control risk (10K RMB)	964	906
Supplement capital (10K RMB)	-	-
1) Counter-cyclical supplement capital (10K RMB)	-	-
2) Supplement capital of D-SIIs (10K RMB)	-	-
3) Supplement capital of G-SIIs (10K RMB)	-	-
4) Other supplement capital (10K RMB)	-	-

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## V. Integrated risk rating (IRR)

The Company was rated A at the IRR by CBIRC for both Q2 and Q3 of 2019.

## VI. Risk management status

### (I) The latest CBIRC Solvency Aligned Risk Management Requirements and Assessment (SARMRA) of the Company

The Company scored 76.69 points in the last (2017) SARMRA conducted by the CBIRC. To be specific, it received 17.81 points for risk management infrastructure and environment, 7.06 points for risk management objectives and tools, 7.01 points for insurance risk management, 7.57 points for market risk management, 6.79 points for credit risk management, 7.38 points for operational risk management, 8.12 points for strategic risk management, 7.15 points for reputation risk management, and 7.81 points for liquidity risk management.

### (II) Measures taken to improve solvency risk management and the latest results in the reporting period

The Company continued to take measures to step up its risk management in this quarter.

First, it finished risk evaluation of 2019, including a review of risk status, an annual assessment of Risk Appetite Framework followed by recommendations for updating, and formulation of priorities in risk management based on risk projections. Relevant reports will be submitted to the regulator pending board approval.

Second, it convened the 1<sup>st</sup> session of the Compliance and Risk Control Work Committee in 2020, which reviewed annual reports and arranged for compliance and risk management to go downstream to branch offices. The Company will firmly move towards the objectives of high quality development, support the implementation program of the Yangtze River Delta Region Integration Initiative, improve the governance of key sub-branches so as to enhance their levels of business

management and risk control.

Third, as per requirements of PBoC, it conducted the self-assessment of risk screening for Q4 2019, including changes to its solvency positions and reasons, major risks and mitigation, special risks and mitigation, and changes of domestic and overseas economic environment and economic policies and their impact on its business performance.

Fourth, the Company completed the filing of Q4 IRR data, Risk Functional Limits, and finished the evaluation of risk management in major categories, while closely monitoring its risk status and taking timely steps to mitigate potential risks.

## VII. Liquidity risk

### (I) Liquidity risk management indicators

#### 1. Net cash flow

Item	During this quarter
Net cash flow (10K RMB)	3,022

#### 2. Comprehensive current ratio

Item	Within 3 months
Comprehensive current ratio	129%

#### 3. Liquidity coverage ratio

Item	Stress scenario 1	Stress scenario 2
Liquidity coverage ratio	673%	648%

### (II) Liquidity risk analysis and mitigation

#### 1. Cash flows

In this quarter, net cash flow of the Company was RMB30.2239 million. Net cash flow from business activities in this quarter decreased by RMB104.5650 million from the previous quarter to –RMB104.0765 million. Net cash flow from the Company's investment activities was –RMB1.6220 million, an increase of RMB84.7079 million from the previous quarter. Financing activities generated RMB135.8814 million in net cash flow, up by RMB40.9916 million from the previous quarter. Foreign exchange movement had an impact of RMB40.9 thousand on the net cash flow in the reporting

quarter.

## 2.Liquidity indicator analysis

The comprehensive current ratio within 3 months was 129%, the same as that of the previous quarter.

The liquidity coverage ratio is 673% and 648% under stress scenario 1 and 2 respectively in the next quarter. The Company's high-quality liquid assets are enough to meet short-term cash flow requirements arising from business volatility.

## **VIII. Regulatory measures taken against the Company**

### **(I) Regulatory measures taken against the Company by CBIRC**

The Company received no penalties during the reporting quarter.

### **(II) Corrective measures taken by the Company**

Going forward, the Company will continue to pay close attention to risk issues high on the regulator's agenda and internal control, address the root causes of the issues, so as to improve its overall risk management capabilities.